

was confided to him for execution. The attempt was made to readjust private fortunes as well as public obligations upon the basis which had prevailed before the period of paper inflation which Law had inaugurated. Those who had fled the country with their winnings transmuted into gold, those who could command the royal favor, and those who were able, to keep their gains in hiding were the only ones who escaped. The mere transfer of speculative gains into real property did not prevent the exercise of arbitrary power to transfer the property back to its original owners and remit the new owner to his original poverty. A regular scale of readjustment was prepared by which the public debt was reduced to its original volume and the holders of bills and the stock of the company were given new public obligations ranging from one hundred per cent, of their holdings in certain cases down to five per cent., according as they were supposed to represent real values or the profits of stock gambling.

The lesson of Law's disastrous schemes and the painful readjustment which followed them prevented for half a century the creation of any new bank of issue in France. The success of the Bank of England, however, and the necessity of some aid to commerce, led to a futile attempt to found a bank under a decree of the Council of State of January 1, 1767,<sup>1</sup> and the establishment, during the ministry of Turgot, by a decree of March 24, 1776, of the *Caisse d'Escompte dit Commerce* (The Bank of Commercial Discount). The new institution was limited to a strictly banking business, and forbidden to borrow except by its notes payable at sight. It was authorized to begin operations with a capital of 15,000,000 livres (\$3,000,000), of which it was intended that two-thirds should be loaned to the Treasury. The loan to the Treasury not having been completed as proposed, the capital of the bank was reduced to 12,000,000 livres, repre-

<sup>1</sup> The proposed institution was to be known as the *Caisse d'Escompte* and to have a capital of 60,000,000 livres, but it never entered upon active operations and was suppressed by a decree of March 21, 1769. — Courtois, 84.